

Study Resolution

Virginia Commonwealth University Health System governance

Authorized by the Commission on November 13, 2023

WHEREAS, the Virginia Commonwealth University Health System Authority was established as a political subdivision to “provide for the health, welfare, convenience, knowledge, benefit, and prosperity of the residents of the Commonwealth;” and

WHEREAS, the VCU Health System is the medical and health care affiliate of Virginia Commonwealth University (VCU) and is required by law to “facilitate and support the health education, research, and public services activities of the Health Sciences Schools of the University” and serve as the university’s principal teaching and training hospital;” and

WHEREAS, the VCU Health System is required by law to engage in “specialized management and operational practices to remain economically viable, earning revenues necessary for operations, and participating in arrangements with public and private entities;” and

WHEREAS, VCU and the VCU Health System have integrated governance and leadership structures such that, for example, the selection and removal of the health system’s CEO is the joint responsibility of the university’s Board of Visitors and the authority’s board of directors, and the university’s president also serves as the chair of the Health System’s board of directors; and

WHEREAS, the VCU Health System’s decision to cancel a significant construction project obligated it to pay at least \$73 million in penalties to the developer; now, therefore, be it

RESOLVED by the Joint Legislative Audit and Review Commission that staff be directed to review the Virginia Commonwealth University Health System Authority. In conducting its study staff shall (i) evaluate the membership, duties, and authorities of the VCU Health System board of directors, (ii) evaluate the advantages and disadvantages of the integrated relationship between the Health System’s board and executive staff and the university’s board and executive staff; (iii) compare the relationship between the Health System and the university to other Virginia teaching hospitals and their university affiliates; (iv) evaluate the Health System’s procurement function, in particular capital planning and construction; and (v) evaluate the Health System’s oversight of capital projects.

JLARC may make recommendations as necessary and may review other issues as warranted.

All agencies of the Commonwealth, including the VCU Health System Authority Board of Directors, VCU Health System, VCU Board of Visitors, Virginia Commonwealth University, and the Department of General Services shall provide assistance, information, and data to JLARC for this study, upon request. JLARC staff shall have access to all information in the possession of agencies pursuant to § 30-59 and § 30-69 of the Code of Virginia. No provision of the Code of Virginia shall be interpreted as limiting or restricting the access of JLARC staff to information pursuant to its statutory authority.